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LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject:	COUNCIL IMPLEMENTING DECISION amending Implementing Decision (EU) 2024/1641 as regards an extension of the authorisation for Romania to apply special measures derogating from Article 26(1), point (a), and Article 168 of Directive 2006/112/EC on the common system of value added tax

COUNCIL IMPLEMENTING DECISION (EU) 2026/…

of …

amending Implementing Decision (EU) 2024/1641 as regards an extension of the authorisation for Romania to apply special measures derogating from Article 26(1), point (a), and Article 168 of Directive 2006/112/EC on the common system of value added tax

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax[1], and in particular Article 395(1), first subparagraph, thereof,

Having regard to the proposal from the European Commission,

[1] OJ L 347, 11.12.2006, p. 1, ELI: http://data.europa.eu/eli/dir/2006/112/oj.

Whereas:

(1) Council Implementing Decision (EU) 2024/1641[2] authorised Romania to limit to 50 % the right to deduct value added tax ('VAT') on the purchase, intra-Community acquisition, importation, hire or leasing of certain motorised road vehicles as well as the VAT charged on expenditure related to those vehicles, where such vehicles are not entirely used for business purposes, and to relieve taxable persons from having to treat the use of such vehicles for purposes other than those of their business as a supply of services for consideration pursuant to Article 26(1), point (a), of Directive 2006/112/EC (the 'special measures'). Implementing Decision (EU) 2024/1641 is set to expire on 31 December 2026.

(2) By letter registered with the Commission on 19 May 2026, Romania requested an authorisation, in accordance with Article 395(2), first subparagraph, of Directive 2006/112/EC, to continue to apply the special measures beyond 31 December 2026 (the 'request').

(3) By letter dated 22 May 2026, the Commission transmitted the request submitted by Romania to the other Member States in accordance with Article 395(2), second subparagraph, of Directive 2006/112/EC. By letter dated 26 May 2026, the Commission notified Romania that it had all the information necessary for the appraisal of the request.

[2] Council Implementing Decision (EU) 2024/1641 of 24 May 2024 authorising Romania to apply special measures derogating from Article 26(1), point (a), and Article 168 of Directive 2006/112/EC on the common system of value added tax (OJ L, 2024/1641, 6.6.2024, ELI: http://data.europa.eu/eli/dec_impl/2024/1641/oj).

(4) Pursuant to Article 5(3) of Council Implementing Decision (EU) 2024/1641, Romania submitted, together with the request, a report to the Commission including the review of the percentage limitation applied to the right to deduct VAT referred to in Article 1 of that Decision. On the basis of currently available information, Romania submits that the limit of 50 % is still justifiable and remains appropriate.

(5) Given the positive impact of the special measures in reducing the administrative burden on taxpayers and tax authorities by simplifying VAT collection and in preventing tax evasion resulting from incorrect record keeping, it is appropriate to extend the authorisation provided for in Implementing Decision (EU) 2024/1641.

(6) The application of the special measures beyond 31 December 2026 will only have a negligible effect on the overall amount of tax revenue collected by Romania at the stage of final consumption and will not adversely affect the Union's own resources accruing from VAT.

(7) The extension of the special measures should be limited to the time needed to evaluate the effectiveness of those special measures and the appropriateness of the percentage limitation to be applied on the right to deduct VAT.

(8) Romania should therefore be authorised to continue to apply the special measures until 31 December 2029.

(9) The special measures are proportionate to the objectives pursued, namely to simplify the procedure for collecting VAT and to prevent certain forms of tax evasion or avoidance, since they are limited in time and scope. In addition, the special measures do not give rise to the risk that fraud would shift to other sectors or to other Member States.

(10) In the event that Romania considers that a further extension of the special measures is necessary beyond the date of expiry of Implementing Decision (EU) 2024/1641, it should submit a request for an extension to the Commission by 31 March 2029, together with a report which includes a review of the percentage limitation applied on the right to deduct VAT.

(11) Implementing Decision (EU) 2024/1641 should therefore be amended accordingly,

HAS ADOPTED THIS DECISION:

Article 1

In Article 5 of Implementing Decision (EU) 2024/1641, paragraphs 2 and 3 are replaced by the following:

‘2. This Decision shall expire on 31 December 2029.

3. Any request for an extension of the authorisation provided for in Articles 1 and 3 shall be submitted to the Commission by 31 March 2029 and shall be accompanied by a report which includes a review of the percentage limitation applied on the right to deduct VAT on the basis of this Decision.’.

Article 2

This Decision shall take effect on the date of its notification.

Article 3

This Decision is addressed to Romania.

Done at …, …

For the Council
The President